

**EXHIBIT E**

**Appendices (A) – (D) of  
Application for Certificate of  
Local and Interexchange Authority**

**Standard Questions for Applicants Seeking Local Exchange Service Authority**

1. Is your company seeking any waivers or variances of certain Commission rules and regulations in this proceeding that pertain to local exchange service? Please provide evidence as to why your company is seeking any waiver or variance.

**New Lightyear seeks a waiver of Parts 710 and 735 with respect to its interexchange services and of Part 710 with respect to its local services. The Commission has previously found that it is not necessary to apply these regulatory provisions to competitive service providers and has exempted competitive carriers from the application of these provisions. Such waivers reduce the economic burdens of regulation and are not consistent with the law or the purposes and policies of Article XIII of the Act. New Lightyear respectfully submits that these waivers will benefit Illinois consumers by facilitating the company's entry into the telecommunications market without compromising the public interest.**

**New Lightyear also seeks a waiver of Part 735.180 with respect to its local exchange services. If granted, New Lightyear will negotiate an agreement with other local exchange providers, pursuant to which those carriers will include New Lightyear's customer listings in their directories, which will then be distributed to New Lightyear customers.**

**New Lightyear also requests a waiver of 83 Ill. Admin. Code § 725.500(o), which requires that call boxes be installed on a local exchange carrier's ("LEC") switch in order to allow a Public Safety Answering Position ("PSAP") employee to field 911 calls from that switch in the event of a trunking problem between the central office and the PSAP. This requirement is appropriate when applied to incumbent local exchange carriers, who have switching equipment installed in virtually all of their central offices. It would be technically infeasible (and logistically impossible) for a PSAP employee to field calls from New Lightyear's switch in the event of a trunking problem between Applicant and the tandem through which Applicant will route 9-1-1 calls. Therefore, New Lightyear requests that it be exempted from complying with this requirement. Although the call box requirement is not appropriately applied to Applicant, Applicant will ensure that it can process all emergency calls with a high degree of reliability.**

**New Lightyear also requests authorization to maintain its books and records at its principal place of business, in Kentucky, pursuant to 83 Illinois Administrative Code Part 250.**

2. Will your company comply with 83 Illinois Administrative Code Part 772, Pay-Per-Call Services, including Part 772.55(a)(1), Billing and Part 772.100(d) Notices?

**Yes. New Lightyear will comply with 83 Illinois Administrative Code Part 772.**

3. Will your company comply with 83 Illinois Administrative Code Part 705, Preservation of Records of Telephone Utilities?

**Yes. However, New Lightyear requests permission to maintain its books and records at its principal place of business in Kentucky.**

4. Will your company abide by 83 Illinois Administrative Code Part 735, "Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Telephone Utilities in the State of Illinois"?

**Yes. New Lightyear will comply with this section, except to the extent that the Commission grants its request for a waiver of 735.180, as detailed in Question 1.**

5. Will your company abide by 83 Illinois Administrative Code Part 732, "Customer Credits"?

**Yes. New Lightyear will comply with this section.**

6. Who will provide customer repair service for your company?

**New Lightyear customers may call New Lightyear its toll-free number for routine and emergency repair and maintenance. New Lightyear will provide industry standard service level commitments.**

7. How many people does the company employ?

**New Lightyear intends to acquire the operations of Lightyear Communications, Inc. ("Lightyear") and Lightyear Telecommunications LLC ("LLC", and, collectively with Lightyear, the "Lightyear Companies"), which currently have approximately 1200 employees. It is anticipated that most of these employees will become employees of New Lightyear after the Transactions.**

8. Will your company meet the requirements as they pertain to the Telephone Assistance Programs imposed by Sections 13.301 and 13.301.1 of the Illinois Public Utilities Act and 83 Illinois Administrative Code Part 757?

**Yes. New Lightyear will comply with Sections 13.301 and 13.301.1 of the Illinois Public Utilities Act and 83 Illinois Administrative Code Part 735.**

9. Will your company solicit, collect, and remit the voluntary contributions from its telephone subscribers to support the Telephone Assistance Programs?

**As required by Illinois law, New Lightyear will solicit, collect and remit contributions from its telephone subscribers to support the Telephone Assistance Programs.**

10. Does your company plan on filing to become an Eligible Telecommunications Carrier?

**No. New Lightyear does not plan on filing to become an Eligible Telecommunications Carrier.**

11. Does the company realize that it will not be able to receive any of the federal reimbursements for the Lifeline and Link Up Programs if it is not an eligible carrier?

**Yes. New Lightyear realizes that it will not be able to receive any of the federal reimbursements for the Lifeline and Link Up Programs if it is not an eligible carrier.**

12. Will your company offer all of the waivers associated with the Universal Telephone Service Assistance Programs (UTSAP)?

**Yes. New Lightyear will comply with the applicable rules and will offer all of the waivers associated with UTSAP.**

13. Will your company abide by the regulations as prescribed in 83 Illinois Administrative Code Part 755, "Telecommunications Access for Persons with Disabilities," 83 Illinois Administrative Code Part 756 "Telecommunications Relay Service," and Sections 13-703 of the Illinois Public Utilities Act?

**Yes. New Lightyear will comply with 83 Illinois Administrative Code Parts 755 and 756 and Sections 13-703 of the Illinois Public Utilities Act.**

14. Will the company's billing system be able to distinguish between resale and facilities based service for the collection of the ITAC line charge?

**Yes. New Lightyear's billing system will be able to distinguish between resale and facilities-based service for the collection of the ITAC line charge.**

15. Has your company signed and returned the Universal Telephone Assistance Corporation ("UTAC") and the Illinois Telecommunications Access Corporation ("ITAC") to Commission staff?

**New Lightyear is filing its UTAC and ITAC forms concurrently with its Application for a Certificate of Local and Interexchange Authority. Please see Exhibit I.**

16. How does your company plan to solicit customers once it begins to provide local service?

**New Lightyear's sales strategy will include the use of internal personnel and sales agents.**

17. Has your company provided service under any other name?

**No.**

18. Have any complaints or judgments been levied against the company? (Instate, out-of-state, or FCC).

**No complaints or judgments have been levied against New Lightyear instate, out-of-state or with the FCC.**

**9-1-1 Questions for Applicants Seeking Local Exchange Service Authority**

1. Will your company ensure that 911 traffic is handled in accordance with the 83 Illinois Administrative Code Part 725 and the Emergency Telephone System Act?

**Yes.**

2. Will your company contact and establish a working relationship with the 911 systems when you begin to provide local telephone service?

**Yes.**

3. Will your company coordinate with the incumbent LEC(s) and local 911 systems to provide transparent service for your local exchange customers?

**Yes.**

4. Who will be responsible for building and maintaining the 911 database for your local exchange customers?

**To the extent required by the Commission, New Lightyear will be responsible for building and maintaining the 911 database for its local exchange customers.**

5. How often will your company update the 911 database with customer information?

**New Lightyear will update the 911 information database with customer information as often as required, but at a minimum, it will update the 911 information database on a daily basis.**

6. Will your company's billing system have the ability to distinguish between facilities based and resale for the collection of the 911 surcharge?

**New Lightyear's billing system will have the ability to distinguish between facilities-based and resale for the collection of the 911 surcharge.**

7. Does your company have procedures for the transitioning of the 911 surcharge collection and disbursement to the local 911 system?

**New Lightyear intends to develop such procedures.**

8. Will your company's proposal require any network changes to any of the 911 systems?

**No. New Lightyear's proposal would not require any network changes to any of the 911 systems.**

9. Will your company be able to meet the requirements specified under Part 725.500(o) and 725.620(b) for the installation of call boxes?

**No.**

10. Does your company plan to file for a waiver of Part 725.500(o) and 725.620(b) in the future?

**Yes. Please see response to Question 1 of Appendix A of New Lightyear's Application for a Certificate Local and Interexchange Authority.**

**Financial Questions for Applicants Seeking Local Exchange Service Authority**

1. (Answer if requesting waiver of Part 710) What circumstances warrant a departure from the prescribed Uniform System of Accounts ("USOA")?

**Part 710 requires compliance with the Uniform System of Accounts ("USOA"). While this provision is appropriately applied to incumbent local exchange carriers that have market power, it imposes unnecessary and burdensome requirements on new entrants that are inconsistent with a competitive environment. New Lightyear's size and lack of market power are special circumstances that warrant a waiver of the USOA requirement. New Lightyear keeps its books in accordance with Generally Accepted Accounting Principles ("GAAP"), which will result in a substantially equivalent portrayal of its operating results and financial condition as the USOA.**

2. Will records be maintained in accordance with Generally Accepted Accounting Principles ("GAAP")?

**Yes. New Lightyear will maintain its records in accordance with GAAP.**

3. Will applicant's accounting system provide an equivalent portrayal of operating results and financial condition as the USOA?

**Yes. New Lightyear's accounting system will provide an equivalent portrayal of operating results and financial condition as the USOA.**

4. Will applicant's accounting procedures maintain or improve uniformity in substantive results as among similar telecommunications companies?

**Yes. As it is Applicant's understanding that the Commission has waived Part 710 for other competitive carriers which keep their books in accordance with GAAP, New Lightyear's application of GAAP will result in a substantially equivalent portrayal of its operating results and financial condition as the USOA and will maintain uniformity in the substantive results as among telecommunications companies.**

5. Will applicant maintain its records in sufficient detail to facilitate the calculation of all applicable taxes?

**Yes. New Lightyear will maintain its records in sufficient detail to facilitate the calculation of all applicable taxes.**

6. Does the accounting system currently in use by applicant provide sufficiently detailed data for the preparation of Illinois Gross Receipts Tax returns? What specific accounts or sub-accounts provide this data?

**Yes. The financial statements of New Lightyear's parent, LY Acquisition, LLC ("Acquisition"), and New Lightyear's proposed chart of accounts demonstrate that its accounting system will be sufficiently detailed for the preparation of Illinois gross receipts tax returns. Acquisition's financial statements are attached under seal as Exhibits C to the Joint Application. New Lightyear intends to adopt a chart of accounts similar to the one currently used by Lightyear Communications, Inc. ("Lightyear"), which is attached under seal as Exhibit J. Please note that Exhibits C and J have been enclosed in a sealed envelope marked "Confidential" and are being filed separately under seal pursuant to Section 200.430 of the Illinois Administrative Code. These financial statements and chart of accounts are not generally available to the public and are considered and treated by Acquisition, Lightyear and New Lightyear as confidential and proprietary. Concurrent with the Joint Application, a Motion for a Protective Order is being filed to request that the financial statements and chart of accounts filed with Joint Application be accorded confidential treatment and not be disclosed to the public.**

7. If a waiver of Part 710 is granted, will applicant provide annual audited statements or [sic.] all periods subsequent to granting of the waiver?

**Yes. If a waiver of 83 Administrative Code Part 710 is granted, New Lightyear will provide annual audited statements for all periods subsequent to granting of the waiver.**

8. Does applicant agree that the requested waiver of Part 710 will not excuse it from compliance with future Commission rules or amendments to Part 710 otherwise applicable to the Company?

**Yes. Applicant agrees that the requested waiver of Part 710 will not excuse it from compliance with future Commission rules or amendments to Part 710 otherwise applicable to New Lightyear.**

9. Please attach a copy of applicant's chart of accounts.

**As discussed in response to Question 6 above, New Lightyear intends to adopt a chart of accounts similar to the one currently used by Lightyear Communications, Inc. ("Lightyear"), which is attached under seal as Exhibit J. Exhibit J has been enclosed in a sealed envelope marked "Confidential," and concurrent with the Joint Application, a Motion for a Protective Order is being filed to requests that the chart of accounts be accorded confidential treatment and not be disclosed to the public.**

**Prepaid Service Questions for Applicants Seeking Local Exchange Service Authority**

**NOTE: New Lightyear will not provide prepaid service in Illinois.**

1. Will customers have the ability to sign up with any long distance company they choose?

**Not applicable.**

2. Will customers have the ability to use dial around long distance companies?

**Not applicable.**

3. Does the applicant have interexchange authority in Illinois? If yes, please provide the docket number.

**Not applicable.**

4. Will customers have access to the Illinois Relay Service?

**Not applicable.**

5. Will customers be able to make 1-800 calls for free?

**Not applicable.**

6. Will the Company offer operator services?

**Not applicable.**

7. Please describe how applicant plans to collect the monthly fee to be paid in advance.

**Not applicable.**

8. Will customers' monthly bills show a breakdown of services, features, surcharges, taxes, etc.?

**Not applicable.**

9. Will customers pay an installation fee? If yes, will payment arrangements be offered for the installation fee?

**Not applicable.**

10. Will telephone service be in the Company's name or the customer's name. If in the Company's name how will information appear in data bases, such as 9-1-1, directory assistance, etc.?

**Not applicable.**

11. Will applicant offer prepaid service as a monthly service or as a usage service?

**Not applicable.**

12. Will applicant provide a warning when the remaining value of service is about to cease?

**Not applicable.**



13. Is the customer given more than one notice of the remaining value of service?

**Not applicable.**

14. How much advance notice is given to the customer of the remaining value of service?

**Not applicable.**

15. If the customer is in the middle of a call, will they be disconnected when the remaining value of service has expired?

**Not applicable.**

16. Has the customer been made aware of potentially being disconnected during a call when the remaining value of service expires?

**Not applicable.**

17. When does the timing of a call start?

**Not applicable.**

18. If the person called does not answer, is any time deducted from the customer's account?

**Not applicable.**

19. Will there be any other instances in which the Company would disconnect a customer, other than running out of prepaid time?

**Not applicable.**

20. When a customer runs out of time is their phone immediately disconnected or on suspension? (Will they still be able to receive calls?)

**Not applicable.**

21. Are applicant's services available to TTY callers?

**Not applicable.**

22. How will the applicant handle a complaint from a customer who disputes the amount of time used or remaining?

**Not applicable.**

23. The Public Utilities Act requires a local calling area that has no time or duration charges. How will the Company define each customer's untimed local calling area?

**Not applicable.**

**Standard Questions for Applicants Seeking Local Exchange Service Authority**

1. Is your company seeking any waivers or variances of certain Commission rules and regulations in this proceeding that pertain to local exchange service? Please provide evidence as to why your company is seeking any waiver or variance.

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